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Investments boost RealBio's stem-cell tech

Tuesday, September 29, 2009

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KALAMAZOO — A Kalamazoo-based startup company received investments from three groups recently that are helping it produce technology to aid in stem-cell research.

RealBio Technology Inc., which formed in June, acquired an Ann Arbor company this year that was developing cell-culture technology that can be used to grow human stem cells from bone marrow, said Paul Neeb, RealBio chief executive officer.

"Given the increased focus on stem cells, it's an opportune time to come forward," Neeb said.

The company should begin sales by the end of this year and could employ 25 to 30 workers in Kalamazoo by the end of 2011, Neeb said. It is currently contracting with a West Michigan manufacturing company to produce the cell-culture systems, but expects to bring manufacturing in-house in two to three years.

"The capital needed to do your own (manufacturing) is pretty significant," Neeb said. "So we need to ensure market acceptance before we commit capital dollars."

The undisclosed investments in RealBio came from the Southwest Michigan First Life Science Fund; Aastrom Biosciences Inc., an Ann Arbor biotechnology company; First Angels, a Kalamazoo-based investor group; and the Michigan Pre-Seed MicroLoan Program.

RealBio is licensing the technology behind the cell-culture systems from Aastrom Biosciences.

The technology was developed by Lee Noll at Aastrom. Noll then founded BioFlow Technology Inc., which RealBio acquired.

Noll has joined RealBio as chief operating officer.

“The Southwest Michigan First Life Science Fund is extremely impressed with RealBio’s technology and its implications for the study of true tissue,” said Ron Kitchens, chief executive officer of Southwest Michigan First. “Its potential for positively affecting the lives of countless humans is astronomical.”

Human stem cells are an unspecialized cell that during early development can turn into any type of cell in the human body. Medical researchers are interested in them because they could be used to test and develop new treatments for disease.

“Although the fundraising environment continues to be a challenge,” Neeb said, “many find attractive the chance to invest in ... technology that will significantly advance stem-cell research.”